Stock Code：8183

Info-Tek Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors’ Report

(Translation)

This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Info-Tek Corporation as of and the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Info-Tek Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly tours,

INFO-TEK CORPORATION

March 9, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Info-Tek Corporation

Opinion

We have audited the accompanying consolidated financial statements of Info-Tek Corporation (the Company) and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China for the year ended December 31, 2022 and 2021. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forning our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

<u>When the Revenue Should Be Recognized</u>

The Group is engaged in the Electronics Manufacturing Services (EMS), no own-brand, only accept commissioned manufacturing from customer, focusing on the electronics manufacturing services. The Group's sales revenue is based on the transaction conditions agreed by individual customers, the transaction conditions of each customer are not the same. It is significant that to judge the transfer of the control of sales of goods and whether the timing of recognizing the revenue was correct for the expression of consolidated financial statements. Therefore, the timing of recognizing the revenue from key customers was considered as a key audit matter for this year. Please refer to Note 4 to the Consolidated Financial Statements for the relevant accounting policies and relevant disclosure information related to the recognition of operating revenue. We have performed our audit procedures to the key audit matter are follows:

1. Evaluate and test the implementation of the internal control system and actual process of sales transactions.

2. Review the incorn terms and credit lines of these key customers, and understand the similarities,

differences and rationality of the trading conditions and general customers.

3. Select samples from the sales revenue sub-ledger, review relevant documents and the rationality of recognized revenue, and check external shipping documents and customer signature documents.

4. Confirm whether the timing of transfer of control is appropriate according to the contract.

Other Matter

We have also audited the parent company only financial statements of Info-Tek Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unqualified option.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors, report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As pary of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Indentify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, furure events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chun-Ming Hsueh and Sheng-Hsiung Yao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

<u>**Notice to Readers**</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors, report and the accompanying consolidated financial statement have been translated into English from the orginal Chinese version prepared and used in the Republic of China. IF there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

INFO-TEK CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 488,330	8	$ 390,662	9
Financial assets at fair value through other comprehensive income - current (Notes 4 、7and 27)	25,005	-	52,859	1
Notes receivable (Notes 4 and 8)	722,426	11	867,549	19
Trade receivables (Notes 4 and 8)	2,727,271	42	1,388,108	31
Trade receivables from related parties (Note 28)	34,576	1	24,183	1
Other receivables (Note 8)	22,558	-	134	-
Other receivables from related parties (Note 28)	198	-	3,317	-
Inventories (Notes 4 、5 and 9)	790,382	12	502,637	11
Other current assets (Notes 6 and 15)	254,967	4	119,862	3
Total current assets	5,065,713	78	3,349,311	75
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 4 、11、28 and 29)	1,081,196	17	883,877	20
Right-of-use assets (Notes 4 、12 and 28)	176,793	3	70,864	2
Investment properties (Notes 4 、13 and 29)	20,427	-	21,860	-
Intangible assets (Notes 4 and 14)	6,106	-	6,233	-
Deferred tax assets (Notes 4 and 23)	31,091	-	84,096	2
Refundable deposits	8,328	-	14,242	-
Other non-current assets (Note 15)	102,664	2	55,093	1
Total non-current assets	1,426,605	22	1,136,265	25
TOTAL ASSETS	$6,492,318	100	$4,485,576	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 29)	$ 516,330	8	$ 300,000	7
Notes payable (Note 17)	749,611	12	333,874	8
Trade payables (Note 17)	1,170,625	18	723,752	16
Trade payables to related parties (Note 28)	8,747	-	6,606	-
Other payables (Note 18)	473,429	7	271,675	6
Other payables to related parties (Note 28)	6,515	-	2,941	-
Current tax liabilities (Note 4)	43,728	1	16,800	-
Lease liabilities – current (Notes 4、12 and 28)	77,384	1	18,110	-
Current portion of long-term borrowings (Note 16)	882	-	-	-
Other current liabilities (Note 18)	111,297	2	110,465	3
Total current liabilities	3,158,548	49	1,784,223	40
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	87,278	1	-	-
Deferred tax liabilities（Notes 4 and 23)	85,218	1	58,944	1
Lease liabilities –non- current (Notes 4 、12and 28)	65,445	1	15,290	-
Net defined benefit liabilities（Notes 4 and 19)	9,892	-	15,659	1
Guarantee deposits received	98,132	2	110,721	3
Other current liabilities	12,660	-	12,476	-
Total non-current liabilities	358,625	5	213,090	5
Total liabilities	3,517,173	54	1,997,313	45
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	1,212,511	19	1,212,511	27
Capital surplus				
Additional paid-in capital	179,924	3	179,924	4
Treasury share transactions	4,036	-	4,036	-
Employee stock option	7,646	-	7,646	-
Other capital reserve	85	-	85	-
Total capital surplus	191,691	3	191,691	4
Retained earnings				
Legal reserve	130,650	2	80,610	2
Special reserve	106,006	2	106,006	2
Unappropriated earnings	1,427,192	22	952,088	21
Total retained earnings	1,663,848	26	1,138,704	25
Other equity	(42,909)	(1)	(38,752)	(1)
Treasury shares	(49,996)	(1)	(15,891)	-
Total equity	2,975,145	46	2,488,263	55
TOTAL LIABILITIES AND EQUITY	$6,492,318	100	$4,485,576	100

The accompanying notes are an integral part of the consolidated financial statements.

INFO-TEK CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 28)	$6,861,906	100	$4,512,644	100
COST OF GOODS SOLD (Notes 4,9,19,22 and 28)	5,374,849	78	3,454,791	76
GROSS PROFIT	1,487,057	22	1,057,853	24
OPERATING EXPENSES (Notes 19, 22 and 28)				
Selling and marketing expenses	72,178	1	40,763	1
General and administrative expenses	246,970	3	173,883	4
Research and development expenses	250,323	4	209,279	5
Expected credit loss (reversal gain) (Notes 4,8 and28)	(23,967)	-	16,534	-
Total operating expenses	545,504	8	440,459	10
PROFIT FROM OPERATIONS	941,553	14	617,394	14
NON-OPERATING INCOME AND EXPENSES(Note 22)				
Interest income	6,090	-	3,605	-
Other income	17,581	-	23,071	-
Other gains and losses	(4,760)	-	(4,989)	-
Finance costs(Note 28)	(33,131)	-	(7,312)	-
Total non-operating income and expenses	(14,220)	-	14,375	-
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	927,333	14	631,769	14
INCOME TAX EXPENSE (Notes 4 and 23)	251,875	4	131,367	3

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INFO-TEK CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
NET PROFIT FOR THE YEAR	$ 675,458	10	$ 500,402	11
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in quity instruments at fair value through other comprehensive income	(27,854)	-	(20,099)	(1)
Remeasurement of defined benefit plans	5,327	-	(654)	-
	(22,527)	-	(20,753)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	18,370	-	(10,598)	-
	18,370	-	(10,598)	-
Other comprehensive income(loss) for the year, net of income tax	(4,157)	-	(31,351)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 671,301	10	$ 469,051	10
EARNINGS PER SHARE (Note 24)				
Basic	$ 5.63		$ 4.16	
Diluted	$ 5.60		$ 4.15	

The accompanying notes are an integral part of the consolidated financial statements.

INFO-TEK CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

			Retained Earnings（Notes 4 and 20）			Other equity(Note 20)				
	Share Capital (Note 20)	Capital Surplus (Note 20)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized gain(loss) on financial assets measured at fair value through other comprehensive income	Remeasurement of defined benefit obligation	Treasury shares(Note 20)	Total
BALANCE AT JANUARY 1, 2021	$ 1,212,511	$ 191,606	$ 59,832	$ 106,006	$ 568,665	($ 81,828)	$ 71,749	$ 2,678	($ 15,891)	$ 2,115,328
Appropriation of the 2020 earnings										
Legal reserve	-	-	20,778	-	(20,778)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(96,201)	-	-	-	-	(96,201)
Net profit for the year ended December 31, 2021	-	-	-	-	500,402	-	-	-	-	500,402
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	(10,598)	(20,099)	(654)	-	(31,351)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	500,402	(10,598)	(20,099)	(654)	-	469,051
Other changes in capital surplus	-	85	-	-	-	-	-	-	-	85
BALANCE AT DECEMBER 31, 2021	1,212,511	191,691	80,610	106,006	952,088	(92,426)	51,650	2,024	(15,891)	2,488,263
Appropriation of the 2021 earnings										
Legal reserve	-	-	50,040	-	(50,040)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(150,314)	-	-	-	-	(150,314)
Purchase of treasury shares	-	-	-	-	-	-	-	-	(34,105)	(34,105)
Net profit for the year ended December 31, 2022	-	-	-	-	675,458	-	-	-	-	675,458
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	18,370	(27,854)	5,327	-	(4,157)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	675,458	18,370	(27,854)	5,327	-	671,301
BALANCE, AT DECEMBER 31, 2022	$ 1,212,511	$ 191,691	$ 130,650	$ 106,006	$ 1,427,192	($ 74,056)	$ 23,796	$ 7,351	($ 49,996)	$ 2,975,145

The accompanying notes are an integral part of the consolidated financial statements.

INFO-TEK CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before before income tax from continuing operations	$ 927,333	$ 631,769
Adjustments for:		
Expected credit loss (reversal gain) of trade receivables	(23,967)	16,534
Depreciation expense	212,686	137,860
Amortization expense	3,199	3,818
Interest expense	33,131	7,312
Interest income	(6,090)	(3,605)
Dividend income	(1,427)	(1,903)
Gain (Loss) on disposal of property, plant and equipment	(80)	5,767
Gain (Loss) on disposals of Right-of-use asset	808	(5)
(Reversed) Write-downs of inventories	(16,488)	29,627
Net gain on foreign currency exchange	(990)	(1,988)
Changes in operating assets and liabilities		
Notes receivable	145,123	(397,905)
Trade receivables	(1,339,981)	(279,642)
Trade receivables from related parties	(10,467)	(18,408)
Other receivables	(21,874)	397
Other receivables from related parties	3,127	(3,214)
Inventories	(272,791)	(58,960)
Other current assets	(135,105)	(40,546)
Non-current assets	2,688	2,728
Notes payable	415,737	130,519
Trade payables	451,716	46,841
Trade payables to related parties	996	(5,895)
Other payables	190,004	82,634
Other payables to related parties	4,730	867
Other current liabilities	427	33,243
Net defined benefit liabilities	(440)	56
Non-current liabilities	184	(96)
Cash generated from operations	562,189	317,805
Interest paid	(7,295)	(3,147)
Income tax paid	(151,786)	(131,587)
Net cash generated from operating activities	403,108	183,071

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INFO-TEK CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	($ 415,502)	($ 112,176)
Proceeds from disposal of property, plant and equipment	19,837	283
Interest received	5,540	3,624
Dividends received	1,427	1,903
Acquisition of intangible assets	(2,355)	(3,248)
(Increase) decrease in refundable deposits	5,914	(11,171)
Net cash used in investing activities	(385,139)	(120,785)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	216,330	110,000
Proceeds from long-term borrowings	88,160	-
Increase (decrease) in guarantee deposits received	(12,589)	99,418
Repayment of the principal of lease liabilities	(44,893)	(6,010)
Dividends paid to shareholders of the Company	(150,314)	(96,201)
Payments for purchase of treasury stock	(34,105)	-
Exercising the right of disgorgement	-	85
Net cash flows used in financing activities	62,589	107,292
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	17,110	(8,068)
NET INCREASE IN CASH AND CASH EQUIVALENTS	97,668	161,510
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	390,662	229,152
CASH AND CASH EQUIVALENTS AT THE END OF THE TEAR	$ 488,330	$ 390,662

The accompanying notes are an integral part of the consolidated financial statements.

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Info-Tek Corporation (the “Company”) was incorporated in the Republic of China (ROC) in December, 1990.The Company started its business in April 1991 and is mainly engaged in the manufacture, assembly and processing, sales and distribution of information electronic products.

The company's shares were officially traded on the Taipei Exchange in March 2005.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on February 22, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(1) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) did not have a significant effect on the company accounting policies.

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

(2) The IFRSs endorsed by the FSC for application starting from 2023:

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note1)
Amendments to IAS 8 “Definition to Accounting Estimates”	January 1, 2023 (Note2)
Amendments to IAS 12 “Defferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

a. Amendments to IAS 1 “Disclosure of Accounting Policies”
The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general

purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

(i) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

(ii) The Group chose the accounting policy from options permitted by the standards;

(iii) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;

(iv) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or

(v) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

b. Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

c. Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Company will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and recognize the cumulative effect of initial application in retained earnings at that date. The Company will apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

(3) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Issued by IASB(Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture	To be determined by IASB
Amendments to IFRS 16" Leases Liability in a Sale and Leaseback"	January 1, 2024（Note 2）
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 'Initial Application of IFRS 9 and IFRS 17 -Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

a. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

b. Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the"2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

c. Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"

The amendments clarify that the liability that arises from a sale and leaseback transaction-that satisfies the requirements in IFRS 15 to be accounted for as a sale-is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. Seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value is grouped into Levels 1 to 3 based on the measurable and observable degree of its input:

a. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2: Other than those quoted prices of Level 1, the input of fair value at level 2 is from a price of assets or liabilities which can be observed directly or derived indirectly.

c. Level 3: The input of fair value at level 3 is unobservable from assets or liabilities.

(3) Classification of current and non-current assets and liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within 12 months after the reporting period; and

c. Cash and cash equivalents unless the assets are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within 12 months after the reporting period; and

c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

(4) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if the comprehensive in come of the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 10 and attached Tables 4 for detailed information on subsidiaries (including percentages of ownership and main businesses).

(5) Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income.

On the disposal of a foreign operation (a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a disposal of an associate of a foreign operation when the associate’s retained interest is a kind of financial asset applicable to financial instrument accounting treatments), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(6) Inventories

Inventories consist of raw materials, work in progress and finished goods are stated at the lower of cost or net realizable value. The inventory cost, unless it is of the same kind, is compared with net realizable value item by item. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost at the end of the reporting period.

(7) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment.

Depreciation of property, plant and equipment（Including assets held under finance leases） is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

The difference between the sales proceeds and the carrying amount of an item of property, plant and equipment to be disposed will be determined as disposal gain or loss and is recognized in profit or loss.

(8) Investment properties

Investment properties are properties held to earn rental or for future capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of investment properties is recognized using the straight-line method.

The difference between the sales proceeds and the carrying amount of an item of investment properties to be disposed will be determined as disposal gain or loss and is recognized in profit or loss.

(9) Intangible assets

a. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment.

b. Derecognition of intangible assets

The difference between the sales proceeds and the carrying amount of an item of intangible assets to be disposed will be determined as disposal gain or loss and is recognized in profit or loss.

(10) Impairment of property, plant and equipment, right-of-use asset, intangible assets and contract cost related assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and when there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

An impairment loss is recognized for inventory, property, plant and equipment, and intangible assets recognized under customer contracts in accordance with the inventory impairment rules and the above provisions, and an impairment loss is recognized for the amount by which the carrying amount of the contract cost-related assets exceeds the estimated residual value of the consideration to be received for the provision of the related goods or services, less directly related costs. The carrying amount of the assets related to contract costs is included in the respective cash-generating unit for the purpose of assessing the impairment of the cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost-related asset is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or contract cost-related asset in prior years. Reversals of impairment losses are recognized in profit or loss.

(11) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

01. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

I. Measurement categories

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

A. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI criteria. Any gain or loss arising from remeasurement is recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset.

Financial assets carried at FVTPL are measured at fair value. Dividends and interest generated are recognized in other income and interest income, respectively, and gains or losses arising from remeasurement are recognized in other gains and losses. For the determination of fair value, please refer to Note 27.

B. Financial assets at amortized cost

Financial assets that meet the following criteria are classified as financial assets amortized cost:

a. The financial asset is held in a business model whose objective of holding these financial assets is to collect contractual cash flows; and

b. Base on the contract, the financial assets will generate a cash flow that are solely for the payments of principal and interest on the outstanding principal amount.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

a. The interest revenue of purchased or originated credit-impaired financial assets is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of such financial assets; and

b. If financial assets, that are not credit-impaired originally or upon purchasing, subsequently become credit impaired, its interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of such financial assets.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;
ii) Breach of contract, such as a default;
iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

C. Investments in equity instruments at FVTOCI

On initial recognition, the Group may irrevocably designate investments in equity instruments, that is not held for trading and is a contingent consideration of a business acquisition, as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

II. Impairment of financial assets and contract assets

At the end of each reporting period, a loss is recognized for financial assets at amortized cost (including trade receivables) and contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate a financial asset is in default (without taking into account any collateral held by the Group):

A. Internal or external information shows that the debtor is unlikely to pay its creditors.

B. Financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

III. Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

02. Equity Instruments

Debt and equity instruments issued by the Group are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Group are recognized at the acquisition price less direct issuance costs.

The carrying amount of equity instruments that are retracted from the Company's own equity is recognized and deducted under equity and is calculated on a weighted-average basis by type of stock. The purchase, sale, issuance or cancellation of the Company's own equity instruments are not recognized in profit or loss.

03. Financial liabilities

i. Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method. (See the accounting policy above for an explanation of the effective interest method.)。

ii. Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(12) Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

<u>Warranty</u>

The warranty obligation to conform to the agreed-upon specifications is based on management's best estimate of the expenses required to settle the Group's obligations and is recognized as revenue from the related merchandise.

(13) Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

If the interval between the transfer of goods or services and the receipt of consideration is less than one year, the transaction price is not adjusted for significant financial components of the contract.

<u>Sales revenue</u>

The Group recognizes revenue and accounts receivable at the point of sale when the customer has the right to set the price and use of the merchandise and has the primary responsibility for re-selling the merchandise and bears the risk of obsolescence. Prepayments for product sales are recognized as contractual liabilities until the product arrives.

The Group does not recognize any revenue when materials are delivered to subcontractors because the title of control is not transferred along with the delivery.

(14) Lease

At the inception of a contract, the Group assesses whether the contract is a lease.

For contracts with lease and non-lease components, the Group apportions the consideration in the contracts on the basis of relatively separate prices and treats them separately.

i. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

ii. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the lease transfers ownership of the underlying assets to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For lease modifications that are not treated as separate leases, the remeasurement of the lease liability due to a reduction in the scope of the lease is a reduction of the right-of-use asset and the recognition of gain or loss on partial or full termination of the lease; the remeasurement of the lease liability due to other modifications is an adjustment to the right-of-use asset.Lease liabilities are presented on a separate line in the consolidated balance sheets.

(15) Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

(16) Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

(17) Employee benefits

i. Short-term employee benefits
Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

ii. Retirement benefits
Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in other equity and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(18) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

ii. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii. Current and Deferred Income Taxes

Current and deferred income taxes are recognized in profit or loss, except for current and deferred income taxes that relate to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group takes into account the recent development of the novel coronavirus pneumonia outbreak and its possible impact on the economic environment in its consideration of cash flow projections, growth rates, discount rates, profitability, and other related significant accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies, estimates and underlying assumptions used by the Group have not been evaluated by the Group's management and there are no significant accounting judgments, estimates and assumptions that are uncertain.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	$ 589	$ 590
Checking accounts and demand deposits	487,741	390,072
	$ 488,330	$ 390,662

The interest rate ranges for bank deposits as of the balance sheet date were as follows：

	December 31	
	2022	2021
Time deposits	3.92%-5.1%	1.75%

Some of the deposits were transferred to "Other current assets" because they were provided as margin for opening bankers' acceptances, and the amounts were as follows

	December 31	
	2022	2021
Banker's Acceptance	$ 164,025	$ 66,820

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

December 31

	2022	2021
Current		
Domestic investments		
Listed stocks	$ 25,005	$ 52,859

The Group invests for medium- and long-term strategic purposes and expects to earn profits from its long-term investments. The management of the Group believes that if the short-term fluctuations on fair value of these investments are included in profit or loss, it will be inconsistent with the Group's aforementioned medium and long-term investment strategy, and therefore, the management chooses to designate these investments as measured at fair value through other comprehensive profit or loss.

8. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2022	2021
Notes receivable		
At amortized cost	$ 722,426	$ 867,549

As of December 31, 2022 and 2021, the notes receivable were assessed to be free of doubtful accounts and therefore no allowance for doubtful accounts was provided.

	December 31	
	2022	2021
Trade receivables		
At amortized cost		
Gross carrying amount	$ 2,728,552	$ 1,412,901
Less: Allowance for impairment loss	(1,281)	(24,793)
	$ 2,727,271	$ 1,388,108
Other receivables		
Gross carrying amount	$ 22,558	$ 134

(1) NOTES RECEIVABLE AND TRADE RECEIVABLES

The average credit period of sales was 60 to 150 days. No interest was charged on trade receivables.

The Group adopted a policy of new customers' credit rating and, when necessarily, obtained sufficient collateral to mitigate the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available or, if not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group continuously monitored the credit ratings of its customers and its credit exposure. To control the credit exposure, the Group will decide a transaction limit for customers.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Goup's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL) in compliance with IFRS 9. The expected credit losses on trade receivables are estimated using an aging analysis by reference to the past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group’s different customer base. The estimated percentages of expected credit loss of receivables are based the receivables’ aging analysis.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in recourse action to attempt to recover the receivables. The recoveries, if any, are recognized in profit or loss.

Aging analysis of trade receivables and allowance for impairment loss were as follows:

December 31, 2022

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 360 Days	Total
Expected credit loss percentage	0%	1%	5%	10%	25%	50%	100%	
Gross carrying amount	$2,690,464	$ 31,426	$ 5,995	$ 667	$	$ -	$ -	$2,728,552
Loss allowance (Lifetime ECLs)	-	(314)	(300)	(667)		-	-	(1,281)
Amortized cost	$2,690,464	$ 31,112	$ 5,695	$ -	$	$ -	$ -	$2,727,271

December 31, 2021

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 360 Days	Total
Expected credit loss percentage	0%	1%	5%	10%	25%	50%	100%	-
Gross carrying amount	$ 1,379,242	$ 4,777	$ 1,377	$ 2,645	$ 11,474	$ 13,386	$	$1,412,901
Loss allowance (Lifetime ECLs)	-	(575)	(316)	(265)	(11,329)	(12,308)		(24,793)
Amortized cost	$ 1,379,242	$ 4,202	$ 1,061	$ 2,380	$ 145	$ 1,078	$	$1,388,108

The movements of the loss allowance of trade receivables were as follows:

For the Years Ended December 31

	2022	2021
Balance at January 1	$ 24,793	$ 14,974
Provision	6,246	71,941
Amounts written off	-	(6,985)
(Reversal)	(30,205)	(55,288)
Foreign exchange gains and losses	447	151
Balance at December 31	$ 1,281	$ 24,793

Please refer to Note 27 for the amount and related terms of the notes receivable sold by the Group.

(2) OTHER RECEIVABLES

The movements of the loss allowance of other receivables were as follows:

	For the Years Ended December 31	
	2022	2021
Balance at January 1	$ -	$ 121
provision	-	(121)
Balance at December 31	$ -	$ -

Aging analysis of other receivables and allowance for impairment loss were as follows:

December 31, 2022

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 360 Days	Total
Expected credit loss percentage	0%	1%	5%	10%	25%	50%	100%	
Gross carrying amount	$22,558	$ -	$ -	$ -	$ -	$ -	$ -	$22,558
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-	-
Amortized cost	$22,558	$ -	$ -	$ -	$ -	$ -	$ -	$22,558

December 31, 2021

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 360 Days	Total
Expected credit loss percentage	0%	1%	5%	10%	25%	50%	100%	
Gross carrying amount	$ 134	$ -	$ -	$ -	$ -	$ -	$ -	$ 134
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-	-
Amortized cost	$ 134	$ -	$ -	$ -	$ -	$ -	$ -	$ 134

As of December 31, 2022 and 2021, the Group had no other receivables that were past due and not impaired.

9. INVENTORIES

	December 31

	2022	2021
Finished goods	$ 231,505	$ 192,851
Work in progress	9,410	6,185
Raw materials	547,438	302,642
Materials	2,029	959
	$ 790,382	$ 502,637

The cost of goods sold is as follows

	For the Years Ended December 31	
	2022	2021
Cost of goods sold	$ 5,391,337	$ 3,425,164
Inventory write-downs (reversed) (1)	(16,488)	29,627
	$ 5,374,849	$ 3,454,791

(1) Previous write-downs were reversed as a result of selling

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements：

			Proportion of Ownership (%) December 31	
Investor	Investee	Nature of Activities	2022	2021
Info-Tek Corporation	INFO-TEK HOLDING CO., LTD.	Trading Business	100	100
	SUN RISE CORPORATION	Investment	100	100
SUN RISE CORPORATION	Info-Tek Electronics (Suzhou) CO.,LTD.	Manufacture and assembly of motherboards for information electronic products	92.21	92.21
INFO-TEK HOLDING CO., LTD.	Info-Tek Electronics (Suzhou) CO.,LTD.	Manufacture and assembly of motherboards for information electronic products	7.79	7.79
Info-Tek Electronics (Suzhou) CO.,LTD.	Info-Tek Trading CO.,LTD.	Sale and purchase of information electronic products, related technical services and after-sales services	-	-

The shares of profit or loss and other comprehensive income of the subsidiaries using the equity method for the years ended December 31, 2022 and 2021 were recognized based on the audited financial statements of each subsidiary for the same period.

In order to integrate resources, Info-Tek Electronics (Suzhou) CO., LTD. had merge Info-Tek Trading CO., LTD. on November 30, 2021. Info-Tek Trading CO., LTD. was extinguished on January 6, 2022.

In order to expansion of production capacity, Info-Tek Electronics (Suzhou) CO., LTD.had set up Info-Tek Electronics (Suzhou) CO., LTD (Wuhu) Branch on May 30, 2022.

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	office equipment	Other Equipment	Unfinished project	Total
Cost								
Balance at January 1, 2021	$ 101,551	$ 625,289	$ 949,752	$ 2,087	$ 24,711	$ 119,750	$ 13,857	$1,836,997
Additions	-	4,801	41,421	-	97	10,848	4,544	61,711
Reclassified	-	24,079	18,241	-	642	745	(15,041)	28,666
Disposals	-	(420)	(14,950)	-	(954)	(5,919)	-	(22,243)
Effect of foreign currency exchange differences	-	(2,329)	(5,239)	(9)	(61)	(733)	(176)	(8,547)
Transfer to investment real estate	-	(20,556)	-	-	-	-	-	(20,556)
Balance at December 31, 2021	$ 101,551	$ 630,864	$ 989,225	$ 2,078	$ 24,435	$ 124,691	$ 3,184	$1,876,028
Accumulated depreciation and impairment								
Balance at January 1, 2021	$ -	$ 263,661	$ 531,559	$ 2,077	$ 19,403	$ 81,950	$ -	$ 898,650
Depreciation expense	-	23,524	81,806	10	2,231	21,375	-	128,946
Disposals	-	(420)	(12,841)	-	(944)	(5,510)	-	(19,715)
Effect of foreign currency exchange differences	-	(861)	(2,231)	(9)	(52)	(473)	-	(3,626)
Transfer to investment real estate	-	(12,104)	-	-	-	-	-	(12,104)
Balance at December 31, 2021	$ -	$ 273,800	$ 598,293	$ 2,078	$ 20,638	$ 97,342	$ -	$ 992,151
Carrying amount at December 31, 2021	$ 101,551	$ 357,064	$ 390,932	$ -	$ 3,797	$ 27,349	$ 3,184	$ 883,877
Cost								
Balance at January 1, 2022	$ 101,551	$ 630,864	$ 989,225	$ 2,078	$ 24,435	$ 124,691	$ 3,184	$1,876,028
Additions	-	2,996	222,921	-	1,737	28,899	1,268	257,821
Reclassified	-	1,092	106,816	-	-	9,637	(1,268)	116,277
Disposals	-	(1,963)	(29,333)	-	(571)	(8,453)	-	(40,320)
Effect of foreign currency exchange differences	-	5,246	11,651	17	106	1,619	47	18,686
Balance at December 31, 2022	$ 101,551	$ 638,235	$1,301,280	$ 2,095	$ 25,707	$ 156,393	$ 3,231	$2,228,492
Accumulated depreciation and impairment								
Balance at January 1, 2022	$ -	$ 273,800	$ 598,293	$ 2,078	$ 20,638	$ 97,342	$ -	$ 992,151
Depreciation expense	-	27,340	110,473	-	1,934	25,694	-	165,441
Reclassified	-	478	-	-	-	-	-	478
Disposals	-	(1,963)	(12,690)	-	(564)	(5,407)	-	(20,624)
Effect of foreign currency exchange differences	-	1,848	6,716	17	95	1,174	-	9,850
Balance at December 31, 2022	$ -	$ 301,503	$ 702,792	$ 2,095	$ 22,103	$ 118,803	$ -	$1,147,296
Carrying amount at December 31, 2022	$ 101,551	$ 336,732	$ 598,488	$ 2,095	$ 3,604	$ 37,590	$ 3,231	$1,081,196

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	35-45 year
Electrical mechanical and power equipment	3-35 year
Machinery and Equipment	2-10 year
Transportation Equipment	5 year
Office Equipment	3-5 year
Other Equipment	3-10 year

For the amount of real estate, plant and equipment pledged as loan guarantee, please refer to Note 29。

12. LEASE ARRANGEMENTS

(1) Right-of-use assets

	December 31	
	2022	2021
Carrying amounts		
Land	$ 38,434	$ 39,996
Buildings	116,245	28,809
Machinery and Equipment	21,255	314
Office Equipment	-	201
Transportation Equipment	859	1,544
	$ 176,793	$ 70,864

	For the Years Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 157,760	$ 36,582
Depreciation charged for right-of-use assets		
Land	$ 2,121	$ 1,357
Buildings	40,952	4,122
Machinery and Equipment	1,351	443
Office Equipment	205	480
Transportation Equipment	705	828
	$ 45,334	$ 7,230

In addition to the addition and recognition of depreciation expenses listed above, there were no major subleases and impairments of the right-of-use assets of the Group in 2022 and 2021.

(2) Lease liabilities

	December 31	
	2022	2021
Carrying amount		
Current	$ 77,384	$ 18,110
Non-current	65,445	15,290
	$ 142,829	$ 33,400

Range of discount rates for lease liabilities were as follows:

	December 31	
	2022	2021
Land	1.031%	1.031%
Buildings	3.700%~4.200%	4.200%
Machinery and Equipment	1.35%~4.45%	1.35%~4.785%
Transportation Equipment	1.35%~4.7%	1.35%~4.785%
Office Equipment	-	4.785%

(3) Other lease information

	For the Years Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 4,353	$ 4,963
Expenses relating to low-value asset leases	$ 26	$ 97
Total cash outflow of leases	$ 49,272	$ 11,070

Some buildings、office equipment 、transportation equipment and other equipment leases of the Group are qualified as short-term leases or low-value assets leases, the Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. INVESTMENT PROPERTIES

	Buildings and Improvements
Cost	
Balance at January 1, 2021	$ 34,238
Reclassified	20,556
Balance at December 31, 2021	$ 54,794
Accumulated depreciation	
Balance at January 1, 2021	$ 19,146
Depreciation	1,684
Reclassified	12,104
Balance at December 31, 2021	$ 32,934
Carrying amount at December 31, 2021	$ 21,860
Cost	
Balance at January 1, 2022 and December 31, 2022	$ 54,794
Accumulated depreciation	
Balance at January 1, 2022	$ 32,934
Depreciation	1,911
Reclassified	(478)
Balance at December 31, 2022	$ 34,367
Carrying amount at December 31, 2022	$ 20,427

The total future leasepayments to be received for investment property leased under operating leases are as follows：

	For the Years Ended December 31	
	2022	2021
1 year	$ -	$ 6,720
2 year	-	6,720
3 year	-	6,809
4 year	-	6,846
5 year	-	6,846
Over 5 years	-	29,492
	$ -	$ 63,733

The lease has been proposed terminate by the associated company- INPAQ TECHNOLOGY CO., LTD. on November 1, 2022, and the lease had end on December 31, 2022.

The investment properties are depreciated using the straight-line method over their estimated useful lives, depreciation expense accounts for other gains and losses:

Buildings	35 year
Other Equipment	3-35 year

The fair value of investment real estate has not been evaluated by an independent appraiser, but only by the management of the Group with reference to market evidence of similar real estate transaction prices. The fair value of the evaluation is as follows:

December 31	
2022	2021

Fair value	$ 88,370	$ 92,656

All investment real estate of the Group is its own equity. Please refer to Note 29 for the amount of investment real estate set as loan guarantee.

14. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2021	$ 37,141
Additions	3,247
Prepaid equipment reclassified	322
Effect of foreign currency exchange differences	(40)
Balance at December 31, 2021	$ 40,670
Accumulated amortization and impairment	
Balance at January 1, 2021	$ 30,639
Amortization expense	3,818
Effect of foreign currency exchange differences	(20)
Balance at December 31, 2021	$ 34,437
Carrying amount at December 31, 2021	$ 6,233
Cost	
Balance at January 1, 2022	$ 40,670
Reclassified	634
Effect of foreign currency exchange differences	157
Balance at December 31, 2022	$ 43,816
Accumulated amortization and impairment	
Balance at January 1, 2022	$ 34,437
Amortization expense	3,199
Effect of foreign currency exchange differences	74
Balance at December 31, 2022	$ 37,710
Carrying amount at December 31, 2022	$ 6,106

Computer Software are amortized of 2 to 8 years using the straight-line method.

15. OTHER ASSETS

	December 31	
	2022	2021
Current		
Prepayments	$ 78,940	$ 44,823
Prepayment for purchases	11,544	5,373
Payment on behalf of others	227	405
Other current financial assets（Note6）	164,025	66,820
Others	231	2,441
	$ 254,967	$ 119,862
Non-current		
Prepayments for equipment	$ 95,507	$ 45,213
Golf Membership Cards	7,157	7,140
Others	-	2,740
	$ 102,664	$ 55,093

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Secured loan（Note29）		
Bank loans	$ -	$ 70,000
Unsecured borrowings		
Line of credit borrowings	516,330	230,000
	$ 516,330	$ 300,000

The interest rates on the borrowings ranged from 1.531% to 3.65% and 1.00% to 1.05% as of December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Line of credit borrowings	$ 88,160	$ -
Less: Current portion	(882)	-
Long-term borrowings	$ 87,278	$ -

The interest rate on the borrowings was 3.2% as of December 31, 2022.

17. Notes payable and Accounts payable

	December 31	
	2022	2021
Notes payable		
Occurred as a result of business	$ 749,611	$ 333,874
Accounts payable		
Occurred as a result of business	$ 1,170,625	$ 723,752

18. Other liabilities

	December 31	
	2022	2022
Other payables		
Salaries and bonuses payable	$ 183,964	$ 130,146
Equipment payables	21,969	12,384
Interest payable	438	130
Payable service fee	33,919	24,495
Repairs payable	24,546	25,295
Premium payable	2,477	3,138
Freight payable	29,822	15,918
Coping tools	89,683	-
employee benefits payable	1,111	1,923
Others	85,500	58,246
	$ 473,429	$ 271,675
Other current liabilities		
Allowance for returns and discounts	$ 64,533	$ 54,664
Temporary receivable	8,597	1,587
Contract liabilities	17,680	20,130
Others	20,487	34,084
	$ 111,297	$ 110,465

Relevant product return and discount liability reserves are estimated product returns and discounts that may occur based on historical experience, management judgment and other known reasons.

19. RETIREMENT BENEFIT PLANS

(1) Defined contribution plans

The pension system applicable to the "Labor Pension Act" of the company in the Group is a government-managed definite contribution retirement plan, and 6% of the employee's monthly salary is allocated to the individual account of the Labor Insurance Bureau.

(2) Defined Benefit Plan

The pension system of the company in the Group is a defined benefit retirement plan managed by the government in accordance with the "Labor Standards Law" of the country. The payment of employee pensions is calculated based on the years of service and the average salary of the six months before the approved retirement date. These companies allocate pensions based on 2% of the total monthly salary of employees, and submit them to the Labor Retirement Reserve Supervision Committee to deposit them in the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if the estimated balance in the special account is insufficient to pay for the next year for workers who are estimated to meet the retirement conditions, the difference will be allocated before the end of March of the following year. The special account is managed by the Labor Fund Utilization Bureau of the Ministry of Labor, and the Group has no right to influence the investment management strategy.

The amounts included in the consolidated balance sheets in respect of the Group’s defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	$ 24,630	$ 33,314
Fair value of plan assets	(14,738)	(17,655)
Net defined benefit liabilities	$ 9,892	$ 15,659

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Assets) Liabilities
Balance at January 1, 2021	$ 31,893	($ 16,944)	$ 14,949
Service cost			
Current service cost	$ 217	$ -	$ 217
Net interest expense (income)	128	(68)	60
Recognized in profit or loss	345	(68)	277
Remeasurement			
Return on the plan assets（Except for amounts included in net interest）	-	(258)	(258)

(Continue)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Assets) Liabilities

Actuarial profit - changes in financial assumptions	(478)	-	(478)
Actuarial profit - experience adjustments	1,390	-	1,390
Recognized in other comprehensive income	912	(258)	654
Contributions from the employer	$ -	($ 385)	($ 385)
Corporate Rotation	164	-	164
Balance at December 31, 2021	$ 33,314	($ 17,655)	$ 15,659
Balance at January 1, 2022	$ 33,314	($ 17,655)	$ 15,659
Service cost			
Current service cost	153	-	153
Net interest expense (income)	183	(98)	85
Recognized in profit or loss	336	(98)	238
Remeasurement			
Return on the plan assets （Except for amounts included in net interest）	-	(1,376)	(1,376)
Actuarial profit - changes in financial assumptions	(1,492)	-	(1,492)
Actuarial profit - experience adjustments	(3,791)	-	(3,791)
Recognized in other comprehensive income	(5,283)	(1,376)	(6,659)
Contributions from the employer	-	(407)	(407)
Benefit Payments	(4,798)	4,798	-
Corporate Rotation	1,061	-	1,061
Balance at December 31,2022	$ 24,630	($ 14,738)	$ 9,892

The amounts recognized in profit or loss for defined benefit plans are summarized by function as follows:

	For the Years Ended December 31	
	2022	2021
Operating Cost	$ 176	$ 196
Marketing expenses	11	9
Management expenses	51	72
	$ 238	$ 277

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

a) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

b) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan’s debt investments.

c) Salary risk：The calculation of the present value of the defined benefit obligation refers to the future salary of the plan members. An increase in plan member salaries will therefore increase the present value of the defined benefit obligation.

The present value of the confirmed benefit obligations of the Group is calculated by a qualified actuary, and the major assumptions on the measurement date are as follows:

	December 31	
	2022	2021
Discount Rate	1.25%	0.55%
Salary Expected Increase Rate	2.5%	2.5%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	For the Years Ended December 31	
	2022	2021
Discount rate		
0.25% increase	($ 514)	($ 772)
0.25% decrease	$ 533	$ 802
Expected rate of salary increase		
1% increase	$ 2,244	$ 3,386
1% decrease	($ 1,975)	($ 2,982)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	For the Years Ended December 31	
	2022	2021
The expected contributions to the plan for the next year	$ 407	$ 385
The average duration of the defined benefit obligation	10.9 years	11.3 years

20. EQUITY

(1) Share capital

Ordinary shares

	December 31	
	2022	2021
Authorized shares (in thousands)	136,060	136,060
Authorized capital	$ 1,360,600	$ 1,360,600
Issued and paid shares (in thousands)	121,251	121,251
Issued capital	$ 1,212,511	$ 1,212,511

a. As of December 31, 2022, the Company's paid-in capital was $1,212,511 thousand, divided into 121,251 thousand shares with a par value of $10 per share, all of which are ordinary shares.

b. Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

(2) Capital surplus

	December 31	
	2022	2021

May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)		
Additional paid-in capital	$ 179,924	$ 179,924
Treasury share transactions	4,036	4,036
Only used in deficit offset (b)		
exercising the right of disgorgement	85	85
Not for other usage		
Additional paid-in capital－Employee Stock Options	7,646	7,646
	$ 191,691	$ 191,691

a. Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

b. This type of capital surplus represents the Company's exercise of the right of disgorgement in accordance with Article 157 of the Securities and Exchange Act and the recognition of the benefit from the exercise of the right as capital surplus – other

(3) Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's articles of incorporation (the "Articles"), if the Company has current profits in the financial statement, the losses should be made up first, and then 10% of the remaining profits would be allocated as Legal reserves, after that the special reserves are provisioned or reversed according to the law. If profits are remaining, it will be considered as distributable profit along with the accumulated unallocated earnings from the beginning of the period. The distribution plan will be proposed by the Board of Directors and the profits will be distributed after the resolution of the shareholders meeting For the policies on the distribution of employees' compensation and remuneration of directors in the Articles, refer to employees' compensation and remuneration of directors in Note 22-6 to the consolidated financial statements.

The industrial environment that the Company relates to is volatile, and its enterprise life cycle has entered the mature stage. Considering our future working capital requirements and long-term financial planning, and the need of satisfying the need for cash flow by shareholders, thus the annual cash dividend distribution shall not be less than 5% of the total shareholder dividends.

Aligning with the current year's earnings for allotment and the balancing dividend policy, as well as in accordance with relevant laws and regulations, the Company may allocate all or part of its capital reserve as capital increase allotments. The distribution plan shall be proposed by the Board of Directors and distributed after being approved by the shareholders meeting resolution.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company has provided and reversed the special reserve in accordance with the "FSC No. 1010012865", "FSC No. 1010047490", "FSC No.

1030006415" and "Questions and Answers on the Application of International Financial Reporting Standards (IFRSs) to the Provision of Special Reserve".

The appropriations of earnings for 2021 and 2020 approved in the shareholders' meetings on June 9, 2022 and July 5, 2021, respectively, were as follows:

	Appropriation of Earnings	
	For the Years Ended December 31	
	2021	2020
Legal reserve	$ 50,040	$ 20,778
Cash dividends	$ 150,314	$ 96,201
Dividends Per Share (NT$)	$ 1.25	$ 0.8

The appropriations of earnings for 2022 is to be presented for approval in ITC's shareholders' meeting to be held on June 14, 2023 (expected).

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(4) Special reserve

As the increase in retained earnings generated from the initial application of IFRSs was insufficient for appropriation as dividends, it was appropriated to a special reserve. As the special reserve appropriated by foreign operations (including subsidiaries) due to the exchange differences upon translation of their financial statements was reversed in proportion to the Company's disposal of the foreign operations; upon the Company's loss of significant influence, the entire special reserve relating to exchange differences arising from those foreign operations will be reversed. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses; the reversed amount may be distributed.

	For the Years Ended December 31	
	2022	2021
Opening and closing balance	$ 106,006	$ 106,006

(5) Other equity items

a. Exchange differences on translating the financial statements of foreign operations

	For the Years Ended December 31	
	2022	2021
Balance at January 1	($ 92,426)	($ 81,828)
Current period generated		
Exchange differences arising from the translation of net assets of foreign operating entities	18,370	(10,598)
Balance at December 31	($ 74,056)	($ 92,426)

b. Unrealized valuation gain on financial assets at FVTOCI

	For the Years Ended December 31	
	2022	2021
Balance at January 1	$ 51,650	$ 71,749

Current period generated Unrealized profit and loss- Equity Tools	(27,854)	(20,099)
Other comprehensive income or loss for the period	(27,854)	(20,099)
Balance at December 31	$ 23,796	$ 51,650

c. Remeasurement of defined benefit obligation

	For the Years Ended December 31	
	2022	2021
Balance at January 1	$ 2,024	$ 2,678
Remeasurement of defined benefit obligation	5,327	(654)
Balance at December 31	$ 7,351	$ 2,024

(6) Treasury shares

Purpose of Acquisition	Treasury shares granted to employees(In Thousands)
Shares Held as of January 1, 2022	1,000
Increase During the Year	500
Shares Held as of December 31, 2022	1,500

Purpose of Acquisition	Treasury shares granted to Employees(In Thousands)
Shares as of January 1, 2022 and December 31, 2022	1,000

Pursuant to the Securities and Exchange Act of the ROC, the treasury shares held by the Company should not be pledged as collateral, are not eligible for dividends and do not have voting rights.

21. REVENUE

	For the Years Ended December 31	
	2022	2021
Revenue from contracts with Customers		
Sale of Goods	$ 6,861,906	$ 4,512,644

Please refer to Note 33 for a breakdown of revenues.

22. NET PROFIT FROM CONTINUING OPERATIONS

Net Profit from continuing operations including the following items：

(1) Other income

	For the Year Ended December 31	
	2022	2021
Rental income	$ 7,750	$ 7,057
Dividends	1,427	1,903
Others	8,404	14,111
	$ 17,581	$ 23,071

(2) Other gains and losses

	For the Year Ended December 31	
	2022	2021
Gain (loss) on disposal of property, plant andequipment	$ 80	($ 5,767)
Gain (loss) on disposal of right-of-use assets	(808)	5
Foreign exchange gains (losses)	(532)	3,103
Others	(3,500)	(2,330)
	($ 4,760)	($ 4,989)

(3) Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on lease liabilitie	$ 3,601	$ 381
Discounted interest on notes receivable	21,927	3,719
Interest on bank loans	7,603	3,212
	$ 33,131	$ 7,312

(4) Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Property,Plant and quipment	$ 165,441	$ 128,946
Right-of-use asset	45,334	7,230
Investment Property	1,911	1,684
Other intangible assets	3,199	3,818
Total	$ 215,885	$ 141,678
An ananysis of depreciation by function		
Operating costs	$ 157,721	$ 109,756
Operating expenses	53,054	26,420
Other expenses	1,911	1,684
	$ 212,686	$ 137,860
An ananysis of amortization by function		
Operating costs	$ 189	$ 55
Operating expenses	3,010	3,763
	$ 3,199	$ 3,818

(5) Employee Benefit Expenses

For the Year Ended December 31	
2022	2021

	2022	2021
Short-term employee benefits	$ 685,474	$ 512,245
Post-employment benefits		
Defined contribution plan	5,807	5,602
Defined Benefit Plan (Note 19)	238	277
	6,045	5,879
Other employee benefit expenses	36,053	20,390
Total employee benefit expenses	$ 727,572	$ 538,514
Summary by function		
Operating costs	$ 509,306	$ 372,159
Operating expenses	218,266	166,355
	$ 727,572	$ 538,514

(6) Employees' compensation and remuneration of directors

The Company accrues employees' compensation and remuneration of directors at the rates of 2%-10% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on February 22, 2023 and January 14, 2022, respectively, were as follows:

Accrual rate

	For the Years Ended December 31	
	2022	2021
Employees' compensation	3.8%	3.8%
Remuneration of directors	1.4%	1.4%

Amounts

	For the Years Ended December 31	
	2022	2021
	Cash	Cash
Employees' compensation	$ 31,293	$ 21,422
Remuneration of directors	$ 11,529	$ 7,892

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and adjusted in the next year.

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(7) Foreign net exchange gain or loss

	For the Years Ended December 31	
	2022	2021
Foreign exchange gain	$ 62,058	$ 17,570

	2022	2021
Foreign exchange loss	(62,590)	(14,467)
Net exchange gain or loss	($ 532)	$ 3,103

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

(1) Detail of income tax recognized in profit or loss was as follows:

	For the Years Ended December 31	
	2022	2021
Current income tax expenses		
In respect of the current period	$ 134,702	$ 108,279
Income tax on unappropriated earnings	15,002	4,540
Adjustments for prior periods	943	(1,102)
Others	27,690	10,742
	178,337	122,459
Deferred income tax		
In respect of the current period	73,538	8,908
Income tax expense recognized in profit or loss	$ 251,875	$ 131,367

The reconciliation of income before income tax and income tax expenses recognized in profit and loss was as follows:

	For the Years Ended December 31	
	2022	2021
Profit before income tax from continuing operations	$ 927,333	$ 631,769
Income tax expense calculated at the statutory rate	$ 297,510	$ 209,524
Non-deductible expenses for tax purposes	422	384
Tax-exempt income	(285)	(381)
Income tax on unappropriated earnings	15,002	4,540
Unrecognized deductible Temporary differences	(82,882)	(87,103)
Adjustments for prior periods	943	(1,102)
Others	21,165	5,505
Income tax expense recognized in profit or loss	$ 251,875	$ 131,367

The tax rate applicable to subsidiaries in the PRC is 25%; in addition, according to the management method of high-tech enterprise recognition. Info-Tek Electronics (Suzhou) CO., LTD. High-tech enterprises that have been approved as national key support are entitled to a preferential tax rate of 15% for corporate income tax. Taxes generated in other jurisdictions are calculated according to the tax rates applicable in the respective jurisdictions.

In July 2019, the President announced the amendment of the Industrial Innovation Act. The construction or acquisition of specific assets or technology from the undistributed earnings of FY107 onward is explicitly provided as a deduction from the calculation of undistributed earnings.

(2) Income taxes recognized in other comprehensive income

	For the Years Ended December 31	
	2022	2021

	2022	2021
Deferred income tax		
Current income tax expenses recognized in current year		
—Conversion of foreign operating institutions	$ 4,593	($ 2,650)
—Determine the number of benefit plans before measuring	1,331	-
	$ 5,924	($ 2,650)

(3) Deferred Tax Assets and Liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

2022

	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Exchange Difference	Closing Balance
Deferred Tax Assets					
Temporary differences					
Allowance for decline in value of inventories and doubtful losses	$ 13,425	($ 2,169)	$ -	$ 156	$ 11,412
Defined benefit obligations	3,132	177	(1,331)	-	1,978
Exchange differences on translating the financial statements of foreign	4,198	-	(4,198)	-	-
Provision for warranty	8,400	1,349	-	110	9,859
Other	8,157	(425)	-	110	7,842
	37,312	(1,067)	(5,529)	376	31,091
Loss Deduction Credit	46,784	(46,784)	-	-	-
	$ 84,096	($ 47,851)	($ 5,529)	$ 376	$ 31,091
Deferred Tax Liabilities					
Temporary differences					
Other financial liabilities	$ 13,079	$ -	$ -	$ 193	$ 13,272
Exchange differences on translating the financial statements of foreign	-	-	395	-	395
Undistributed earnings of subsidiaries	45,865	25,686	-	-	71,551
	$ 58,944	$ 25,686	$ 395	$ 193	$ 85,218

2021

	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Exchange Difference	Closing Balance
Deferred Tax Assets					
Temporary differences					
Allowance for decline in value of inventories and doubtful losses	$ 8,627	$ 4,734	$ -	$ 64	$ 13,425
Defined benefit obligations	2,990	142	-	-	3,132
Exchange differences on translating the financial statements of foreign	1,548	-	2,650	-	4,198
Provision for warranty	5,340	3,057	-	3	8,400

(Continue)

	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Exchange Difference	Closing Balance
Other	6,643	1,513	-	1	8,157

	25,148	9,446	2,650	68	37,312
Loss Deduction Credit	58,933	(12,149)	-	-	46,784
	$ 84,081	($ 2,703)	$ 2,650	$ 68	$ 84,096

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Exchange Difference	Closing Balance
Temporary differences					
Other financial liabilities	$ 13,178	$ -	$ -	($ 99)	$ 13,079
Undistributed earnings of subsidiaries	39,660	6,205	-	-	45,865
	$ 52,838	$ 6,205	$ -	($ 99)	$ 58,944

(4) Income tax returns of the Company through 2020 have been assessed and approved by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Years Ended December 31	
	2022	2021
Basic earnings per share	$ 5.63	$ 4.16
Diluted earnings per share	$ 5.60	$ 4.15

The EPS and weighted average number of ordinary shares outstanding (in thousands of shares) were as follows:

Net income available to common shareholders

	For the Years Ended December 31	
	2022	2021
Net income available to common shareholders	$ 675,458	$ 500,402
Net income used to calculate basic and diluted earnings per share	$ 675,458	$ 500,402

	For the Years Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	119,970	120,251
Effect of potentially dilutive ordinary shares		
Shares issued for employees' compensation	648	438
Weighted average number of ordinary shares used in the computation of diluted earnings per share	120,618	120,689

If the Company may choose to pay employees in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of shares outstanding when the potential common stock has a dilutive effect to calculate diluted earnings per share. The dilutive effect of these potential common shares will also continue to be considered in the calculation of diluted earnings per share before the number of employee compensation shares is resolved at the following annual shareholders' meeting.

25. CAPITAL MANAGEMENT

The Group manages its capital to ensure that all the entities of the Group will be able to continue as going concerns while maximizing the return of stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of the Group's net debt (ie, borrowings less cash and cash equivalents) and equity attributable to owners of the parent company (ie, share capital, capital reserves, retained earnings, and other equity items).

The Group are not subject to other external capital requirements.

26. CASHLESS TRANSACTION

The Group carried out the following non-cash investment activities in 2022 and 2021:

	For the Years Ended December 31	
	2022	2021
Increase in property, plant and equipment	($ 257,821)	($ 61,711)
Increase in prepaid equipment	(167,266)	(38,655)
Increase in payables for equipment	9,585	(11,810)
Acquisition of real estate, plant and equipment pay cash	($ 415,502)	($ 112,176)

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate the fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

December 31, 2022

	Level 1
Financial assets at fair value through other comprehensive income	
through other comprehensive income	
Domestic listed shares	$ 25,005

December 31, 2021

	Level 1
Financial assets at fair value through other comprehensive income	
through other comprehensive income	
Domestic listed shares	$ 52,859

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

c. Categories of financial instruments

	December 31	
	2022	2021
Financial assets		

Financial assets at FVTPL		
Financial assets at amortized cost（Note 1）	$ 4,159,384	$ 2,740,773
Financial assets at FVTOCI－Investment in equity instruments	25,005	52,859
Financial liabilities		
Financial liabilities at amortized cost（Note 2）	3,013,417	1,638,848

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, other receivables - related parties and other financial assets.

Note 2：The balance is included short-term loan、Notes payable、Payables、Payables-Related parties、Other payables、Other payables- Related parties、Long-term loans due within one year and Long term loan Financial liabilities measured at amortized cost.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, notes receivable, trade receivables, trade receivables-related parties, other receivables, other receivables-related parties, borrowings, notes payable, trade payables, trade payables-related parties, other payables, other payables-related parties, current portion of long-term borrowings, Long-term borrowings and lease liabilities. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

i. Market risk

The Group is exposed to the financial market risks, primarily changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

(1) Foreign currency risk

The Group engages in sales and purchase transactions denominated in foreign currencies, thus exposing the Group to exposure to exchange rate fluctuations.

The carrying amounts of monetary assets and monetary liabilities denominated in nonfunctional currencies and with risk of foreign currency risk of the group at the balance sheet date are shown in Note 31.

<u>Sensitivity analysis</u>

The Group is mainly exposed to the variance of the exchange rate of U.S. dollar.

The following table details the sensitivity analysis of the Group when the exchange rates of NTD (functional currency) and RMB against each relevant foreign currency increase and decrease by 10%. Sensitivity analysis only includes monetary items in foreign currencies in circulation, and the year-end conversion is adjusted by 10% exchange rate change. The positive numbers in the table below represent the amount that will reduce the net profit after tax when the NT dollar or the functional currency appreciates by 10% relative to the relevant currencies; when the NT dollar or the functional currency depreciates by 10% relative to the relevant foreign currencies, the impact on net profit after tax will be a negative amount of the same amount.

	The effect of U.S. dollar on NTD as the functional currency	
	For the Years Ended December 31	
	2022	2021
Loss (gain)	($ 20,660)	($ 11,995)

	The effect of U.S. dollar on RMB as the functional currency	
	For the Years Ended December 31	
	2022	2021
Loss (gain)	$ 8,256	$ 9,117

(2) Interest rate risk

The Group's interest rate risk mainly comes from fixed and floating rate borrowings. Fluctuations in interest rates will affect future cash flows, but not fair value.

Assuming that the floating-rate loans at the end of the reporting period are held for the entire reporting period, if the interest rate increases by 100 basis points (1%) and other conditions remain unchanged, the net interest expense of the Group's floating-rate loans will increase by $4,957 thousand and $2,400 thousand in 2022 and 2021, respectively.

ii. Credit Risk

Credit risk represents the risk of financial loss to the Group due to default of contractual obligations by counterparties. As of the balance sheet date, the Group's maximum exposure to credit risk (without considering collateral or other credit enhancement instruments and the maximum amount of irrevocable exposure) that could result in financial loss due to the failure of counterparties to perform their obligations and the provision of financial guarantees by the Group is mainly from:

(1) The carrying amount of financial assets recognized in the consolidated balance sheet.

(2) The maximum amount that the Group may be required to pay to provide financial guarantees is not considered probable.

iii. Liquidity risk

The Group has established an appropriate liquidity risk management framework to meet short-term, medium-term and long-term financing and liquidity management needs.The Group manages liquidity risk by maintaining adequate reserves, bank facilities and borrowing commitments, continuously monitoring projected and actual cash flows, and matching the maturities of financial assets and liabilities. As of

December 31, 2022 and 2021, the Group's unused short-term bank financing amounted to 2,317,491 thousand and 2,862,864 thousand respectively.

Liquidity and interest rate risk table for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities (including principal and estimated interest) based on the earliest date on which the Group may be required to repay. Therefore, the bank loans that the Group can be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the bank's immediate execution of the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment date.

For interest cash flows paid at floating rates, the undiscounted interest amount is derived from the yield curve at the balance sheet date.

December 31, 2022

	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Non-derivative financial liabilities				
No interest bearing liabilities	$1,654,716	$ 754,211	$ -	$2,408,927
Lease liability	17,945	59,439	65,445	142,829
Floating Rate Instrument	258,611	170,441	175,438	604,490
	$1,931,272	$ 984,091	$ 240,883	$3,156,246

December 31, 2021

	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Non-derivative financial liabilities				
No interest bearing liabilities	$ 944,155	$ 394,693	$ -	$1,338,848
Lease liability	4,886	13,224	15,290	33,400
Floating Rate Instrument	270,000	30,000	-	300,000
	$1,219,041	$ 437,917	$ 15,290	$1,672,248

e. Financial Asset Transfer Information

The Group did not sell any accounts receivable during the period.

Information about the Group's sale of notes receivable is as follows:

For the years ended December 31, 2022 and 2021, the Group discounted $3,362,484 thousand and $722,381 thousand, respectively, of notes without recourse.The discounted notes were derecognized from the notes receivable at the time of discounting because they did not carry recourse.

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(1) Related party name and categories

Related Party Name	Related Party Category
Walsin Technology Corp.	Associate
Walsin Lihwa Corporation	Associate
HannStar Board Corporation	Associate
Global Brands Manufacture Ltd.	Associate
Suzhou Walsin Technology Electronics Co., Ltd.	Other related party
HannStar Board Technology (Jiang Yin) Corp.	Other related party
Prosperity Dielectrics Co., Ltd.	Other related party
Kunshan Yuanmao Electronics Technology Co., Ltd.	Other related party
HANNSTAR DISPLAY CORP.	Other related party
Dong Guan CMK Global Brands Manufacture Ltd.	Other related party
DongGuan Yujia Electronics Technology Co., Ltd.	Other related party
VVG Inc.	Other related party
Hannstar Display (Nanjing) Co., Ltd.	Other related party
Inpaq Technology Co., Ltd	Other related party
Silitech Technology Corporation	Other related party
Jingjia Electronics Technology (Wuhu) Co., Ltd.	Other related party
Kunshan Yuansong Electronics Technology Co., Ltd.	Other related party

(2) Sales revenue

Account items	Category / name of related party	For the Years Ended December 31 2022	2021
Sales of goods	Other related party	$ 80,142	$ 51,246

The terms of the transactions are the same as those for ordinary non-affiliated parties, and there are no special circumstances.

(3) Purchases of goods

Category / name of related party	For the Years Ended December 31 2022	2021
Other related party	$ 27,781	$ 19,150
Associate	11,081	10,188
	$ 38,862	$ 29,338

The terms of the transactions are the same as those for ordinary non-affiliated parties, and there are no special circumstances.

(4) Receivables from related parties

Account items	Category/name of related party	December 31 2022	2021
Accounts Receivables - Related Parties	Other related party	$ 34,576	$ 24,183
Other Receivables - related parties	Other related party	$ 198	3,325
	Less: Loss Allowance	-	(8)
		$ 198	$ 3,317

The outstanding trade receivables from related parties are unsecured.

(5) Payables to related parties

Account items	Category/name of related party	December 31 2022	2021

Accounts Payable - Related Parties	Other related party	$ 5,321	$ 4,810
	Associate	3,426	1,796
		$ 8,747	$ 6,606
Other payables - related parties	Other related party	$ 3,884	$ 1,243
	Associate	2,631	1,698
		$ 6,515	$ 2,941

The outstanding trade payables to related parties are unsecured.

(6) Acquisition of property, plant and equipment

Category/name of related party	Purchase Price For the Year Ended December 31 2022	2021
Other related party		
Jingjia Electronics Technology (Wuhu) Co., Ltd.	$ 130,288	$ -
Kunshan Yuansong Electronics Technology Co., Ltd.	31,030	-
Silitech Technology Corporation	-	1,222
	$ 161,318	$ 1,222

(7) Disposal of property, plant and equipment

Category/name of related party	Proceeds For the Year Ended December 31 2022	2021	Gain on Disposal For the Year Ended December 31 2022	2021
Other related party				
Jingjia Electronics Technology (Wuhu) Co., Ltd.	$ 3,828	$ -	$ 288	$ -
Kunshan Yuansong Electronics Technology Co., Ltd.	15,781	-	344	-
	$ 19,609	$ -	$ 632	$ -

(8) Lease Agreement

Category/name of related party	For the Year Ended December 31 2022	2021
Acquisition of right-of-use assets		
Other related party		
Jingjia Electronics Technology (Wuhu) Co., Ltd.	$ 92,848	$ -

Account Item	Related Party Category	December 31 2022	2021
Lease liabilities	Other related party	$ 77,329	$ -

Category/name of related party	For the Year Ended December 31 2022	2021
Interest expense		
Other related party		
Jingjia Electronics Technology	$ 1,883	$ -

(Wuhu) Co., Ltd.

The Group leased the factory of Jingjia Electronics Technology (Wuhu) Co., Ltd.in June 2022 for a period of three years at a fixed monthly rental payment based on the lease agreement with reference to the rental rate of similar assets.

(9) Rental Agreement

Operating Lease

The Group leases a factory to an affiliate, INPAQ Technology Co., Ltd. The lease period is 10 years. Rental rates are based on the rental rates of similar assets. A fixed monthly lease payment will be charged according to the lease agreement. The lease income recognized in 2022 was $6,729 thousand.

On November 1, 2022, the lease agreement was terminated early and the lease term expires on December 31, 2022.

(10) Other

Account Item	Category/name of related party	For the Year Ended December 31 2022	2021
Management and general expenses - Professional service fees	Associate	$ 9,537	$ 6,906
	Other related parties	-	1,168
		$ 9,537	$ 8,074
Management and general expenses – Mixcellaneous expenses	Other related parties	$ 622	$ -
	Associate	92	-
		$ 714	$ -
Management and general expenses - stock expense	Associate	$ 1,512	$ 1,532
Marketing expenses - entertainment expenses	Other related parties	$ -	$ 36
Marketing expenses - Professional service fees	Other related parties	$ 205	$ -
Manufacturing Costs－Professional service fees	Other related parties	$ 199	$ -
Management and general expenses － Transportation Costs	Other related parties	$ 45	$ -
Management and general expenses －entertainment expenses	Other related parties	$ 33	$ -
Manufacturing Costs－Processing Fee	Other related parties	$ 28	$ -

(11) Compensation of key management personnel

The total remuneration of directors and other key management personnel is as follows：

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	$ 22,859	$ 28,460
Postretirement benefits	259	296
	$ 23,118	$ 28,756

The remuneration of directors and other key management is determined by the Remuneration Committee in accordance with individual performance and market trends, after review and approval by the Board of Directors.

29. MORTGAGE ASSETS

The following assets have been pledged or hypothecated as collateral for the first-refundable taxes on imported goods and long- and short-term borrowing lines:

	December 31	
	2022	2021
Land	$ 101,551	$ 101,551
Buildings - net	119,031	129,103
Investment real estate - net	20,427	21,860
	$ 241,009	$ 252,514

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those described in other notes, the significant commitments and contingencies of the Group as of the balance sheet date were as follows:

(1) As of December 31, 2021, the Group issued promissory notes in the amount of NT$962,000 thousand and US$2,000 thousand to secure long- and short-term loans and to accept entrusted processing.

(2) As of December 31, 2022, the Group was issued a letter of guarantee by a bank for the period from March 10, 2021 to February 23, 2022 for the amount of NT$2,500 thousand for importing goods before taxation.

31. EXCHANGE RATE INFORMATION OF FOREIGN CURRENCY FINANCIAL ASSETS AND LIABILITIES

The following information is summarized and expressed in foreign currencies other than the functional currencies of The Group. The foreign currency assets and liabilities with significant impact are as follows:

December 31, 2022

	Foreign currency	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 10,351	30.71 （USD：NTD）	$ 317,879
USD	1,566	6.9625 （USD：RMB）	48,062
JPY	8,502	0.2324 （JPY：NTD）	1,976
EUR	4	32.72 （EUR：NTD）	131
HKD	39	3.938 （HKD：NTD）	154
RMB	48	4.408 （RMB：NTD）	212
			$ 368,414

	Foreign currency	Exchange rate	Carrying Amount

Financial liabilities				
Monetary items				
USD	$ 2,287	30.71	（USD：NTD）	$ 70,234
USD	4,808	6.963	（USD：RMB）	147,561
EUR	55	7.4229	（EUR：RMB）	1,800
				$ 219,595

December 31, 2021	Foreign currency	Exchange rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 6,718	27.68	（USD：NTD）	$ 185,954
USD	1,149	6.3742	（USD：RMB）	31,815
JPY	1,567	0.2405	（JPY：NTD）	377
EUR	33	31.32	（EUR：NTD）	1,034
HKD	39	3.549	（HKD：NTD）	138
RMB	347	4.344	（RMB：NTD）	1,507
				$ 220,825
Financial liabilities				
Monetary items				
USD	1,103	27.68	（USD：NTD）	$ 30,531
USD	5,078	6.3742	（USD：RMB）	140,607
EUR	18	7.2099	（EUR：RMB）	564
				$ 171,702

The Group's foreign currency exchange gains (losses) (realized and unrealized) amounted to $(532) thousand and $3,103 thousand in 2022 and 2021, respectively. Due to the wide variety of foreign currency transactions and the Group's individual functional currencies, it is not possible to disclose the exchange gains or losses by each material currency.

32. ADDITIONAL DISCLOSURES

i. Information about significant transactions and investees：

a. Financings provided: (Table 1)
b. Marketable securities held (excluding investments in subsidiaries): (Table 2)
c. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None
d. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None
e. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None
f. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None
g. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None
h. Information about the derivative financial instruments transaction: None
i. Others: The business relationship between the parent and the subsidiaries and significant transactionsbetween them: (Table 5)
j. Information on investees: (Table 3)

ii. Information on investment in mainland China

a. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee. (Table 4)

b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses. (Table 6)
   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
   (3) The amount of property transactions and the amount of the resultant gains or losses
   (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
   (5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
   (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

iii. Information of major shareholders

List of all shareholders with ownership of 5% or greater showing the names and the number of shares and percentage of ownership held by each shareholder. (Table 7)

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

PCBA －EMS1

－EMS3

(1) Segment revenue and results

The following was an analysis of the Group’s revenue and results from continuing operations by reportable segments:

	Operating revenue		Profit (loss) from operations	
	For the Year Ended December 31			
	2022	2021	2022	2021
PCBA －EMS1	$ 465,637	$ 399,037	$ 59,405	$ 271
－EMS3	6,397,600	4,114,579	961,455	671,606
Adjustments	(1,331)	(972)	(79,307)	(54,483)
Profit from operations	$ 6,861,906	$ 4,512,644	$ 941,553	$ 617,394
Interest income			$ 6,090	$ 3,605
Dividend income			1,427	1,903
Gain (Loss)on disposal of property, plant and equipment			80	(5,767)
Gains on disposals of Right-of-use asset			(808)	5
Foreign exchange (loss) gain			(532)	3,103

	Operating revenue	Profit (loss) from operations
	For the Year Ended December 31	

	2022	2021	2022	2021
Rental income			7,750	7,057
Financial costs			(33,131)	(7,312)
Other income			4,904	11,781
Profit before Income tax from continune operations			$ 927,333	$ 631,769

The revenue reported above was generated from transactions with external clients. For the years 2022 and 2021 do not include any intersegment sales.

Segment interests refer to the profits earned by each department, excluding interest income, dividend income, disposition of real estate, plant and equipment gains and losses, net gains (losses) from foreign currency exchange, rental income, financial instrument evaluation gains and losses, financial costs, and other income and income tax expense. This measure is provided to the chief operating decision maker to allocate resources to segments and measure their performance.

(2) Total segmental assets and liabilities

	December 31	
	2022	2021
Segment assets		
Continuing Operations Segment		
EMS1	$ 853,087	$ 700,400
EMS3	5,608,140	3,701,080
Segment assets	6,461,227	4,401,480
Unallocated assets	31,091	84,096
Total assets	$ 6,492,318	$ 4,485,576
Segment liabilities		
Continuing Operations Segment		
EMS1	$ 153,288	$ 73,315
EMS3	2,674,177	1,565,054
Segment liabilities	2,826,587	1,638,369
Unallocated liabilities	689,708	358,944
Total liabilities	$ 3,517,173	$ 1,997,313

Based on the purpose of monitoring departmental performance and allocating resources to each department:

a. All assets other than deferred tax assets are allocated to reportable segments. Assets used jointly by reportable departments are apportioned on the basis of income earned by the respective reportable departments; and

b. All liabilities other than borrowings and current and deferred income tax liabilities are allocated to reportable segments. Liabilities jointly borne by reportable departments are apportioned in proportion to departmental assets

(3) Revenue from major products

The following was an analysis of the Group’s revenue from continuing operations from its major products and services:

For the Years Ended December 31

	2022	2021
PCBA	$ 6,861,906	$ 4,512,644

(4) Geographical information

The Group operates in two main regions - Taiwan and China.

The Group's revenue from continuing operations unit of external customers by location of operations were detailed as below:

	Revenue from External Customers For the Years Ended December 31	
	2021	2021
Asia	$ 6,770,769	$ 4,410,537
Europe	91,137	99,714
America	-	2,393
	$ 6,861,906	$ 4,512,644

(5) Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Years Ended December 31	
	2022	2021
Customer A	$ 1,789,169	$ 1,147,105
Customer B	1,267,056	$ 1,561,624
Customer C	905,988	188,201
Customer D	908,550	111,279
Other（Note 1）	1,991,193	1,504,435
	$ 6,861,906	$ 4,512,644

Note: Revenue less than 10% of the Group's revenue.

TABLE 1

INFO-TEK CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower（Note 4）	Aggregate Financing Limit（Note 5）
												Item	Value		
1	SUN RISE CORPORATION（Note 1）	Info-Tek Electronics (Suzhou) CO.,LTD.（Note 2）	Other receivables due from related parties	Y	$ 51,819 (RMB 11,500)	$ 50,692 (RMB 11,500)	$ 50,692 (RMB 11,500)	3%	Note 3	Operating turnover	$ -	-	-	$1,190,058	$1,190,058
2	INFO-TEK HOLDINGS CO, Ltd.（Note 1）	Info-Tek Electronics (Suzhou) CO.,LTD.（Note 2）	Other receivables due from related parties	Y	31,993 (RMB 7,100)	-	-	-	Note 3	Operating turnover	-	-	-	-	-

Note1： Equity-method investees。

Note2： The Company is an equity-method investee of SUN RISE CORPORATION and INFO-TEK HOLDINGS CO, Ltd.

Note3： There is a need for short-term financing.

Note4：The lending limit to individual customers or foreign companies in which the Company directly or indirectly holds 100% of the voting shares shall not exceed 40% of the Company's latest audited or reviewed net financial statements in Taiwan.

Note5：The total amount of the capital loan shall not exceed 40% of the net value of the Company's most recent financial statements.

Note6：The closing balance was translated at the exchange rate of RMB1=4.408 as of December 31, 2022.

TABLE 2

INFO-TEK CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type of Marketable Securities（Note1）	Name of Marketable Securities	Relationship with the Holding Company（Note2）	Financial Statement Account	December 31, 2022				Note（Note 4）
					Number of Shares	Carrying Amount（Note3）	Percentage of Ownership (%)	Fair Value	
Info-Tek Corporation	Common Stock	WalsinTechnology Corporation	Associate	Financial assets at FVTOCI	316,521	$25,005	-	$25,005	

Note1：Marketable securities referred to in this table are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9, "Financial Instruments".

Note2：If the issuer of marketable securities is not a related party, the column is not required to be filled in.

Note3：For those who are not measured at fair value, please enter the carrying amount of amortized cost (net of allowance for losses) in column B. For those who are not measured at fair value, please enter the carrying amount of amortized cost (net of allowance for losses) in column B.

Note4：Please refer to Table 3 and Table 4 for the investment subsidiaries.

TABLE 3

INFO-TEK CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)（Note1）	Note
				December 31, 2022	December 31, 2021	Number of Shares	（%）	Carrying Amount			
Info-Tek Corporation	INFO-TEK HOLDING CO., LTD.	British Virgin Islands	Trade industry	$ 110,726	$ 110,726	3,700,000	100	$ 205,896	$ 15,629	$ 15,629	Investments accounted for using equity method
	SUN RISE CORPORATION	Samoa	Investment industry	1,167,689	1,167,689	35,500,000	100	2,585,988	743,325	743,325	〃
SUN RISE CORPORATION	Info-Tek Electronics (Suzhou) CO.,LTD.	Jiangsu,China	Manufacture and assembly of motherboards for information electronic products	1,142,037	1,142,037	Table 4	92.21	2,252,414	805,874	743,079	〃
INFO-TEK HOLDING CO., LTD.	Info-Tek Electronics (Suzhou) CO.,LTD.	Jiangsu,China	Manufacture and assembly of motherboards for information electronic products	91,525	91,525	Table 4	7.79	190,345	805,874	62,795	〃

Note1：The calculation is based on the investees' audited financial statements as of December 31, 2022, based on the percentage of shareholding.

Note2：Please refer to Table 4 for information on our Mainland China investee companies.。

TABLE 4

INFO-TEK CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022（Note3）	Net Income (Loss) of the Investee（Note2）	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022(Note 2)	Accumulated Appropriation of Investment Income as of December 31, 2022
					Outward	Inward						
Info-Tek Electronics (Suzhou) CO.,LTD.	Manufacture and assembly of motherboards for information electronic products	$ 1,233,562	（Note1）	$ 1,233,562	$ -	$ -	$ 1,233,562	$ 805,874	100%	$ 805,874	$ 2,442,759	$ 410,926

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2022（Note3）	Investment Amount Authorized by the Investment Commission, MOEA（Note 4）	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$ 1,617,552 (USD 50,509,323.8)	$ 1,617,552 (USD 50,509,323.8)	$ 1,785,087 （Note4）

Note 1: Investment in mainland China companies through an existing company established in a third region.

Note 2: Based on the financial statements of the investee company audited by the attesting CPA of the Taiwan parent company.

Note 3: The conversion rate is based on the prevailing exchange rate of each investment.

Note 4: The Company was certified by the Industrial Development Bureau of the Ministry of Economic Affairs as being in compliance with the scope of operation of the operating headquarters, which expired in June 2021, and no further amounts were remitted.

TABLE 5

INFO-TEK CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Info-Tek Corporation	Info-Tek Electronics (Suzhou) CO., LTD.	1	Other receivables from related parties	$ 7,932	No significant difference with non-related parties	
		Info-Tek Electronics (Suzhou) CO., LTD.	1	Sales	1,331	〃	
		INFO-TEK HOLDING CO., LTD.	1	Other receivables from related parties	8,649	〃	
		INFO-TEK HOLDING CO., LTD.	1	Other payables from related parties	10	〃	
		INFO-TEK HOLDING CO., LTD.	1	Other income	740	〃	
1	Info-Tek Electronics (Suzhou) CO.,LTD.	Info-Tek Corporation	2	Trade payables to related parties	7,915	〃	
		Info-Tek Corporation	2	Other payables from related parties	17	〃	
		Info-Tek Corporation	2	Cost of goods sold	1,331	〃	
		INFO-TEK HOLDING CO., LTD.	3	Finance costs	278	〃	
		INFO-TEK HOLDING CO., LTD.	3	Other payables from related parties	16,997	〃	
		SUNRISE CORPORATION	3	Finance costs	1,535	〃	
		SUNRISE CORPORATION	3	Other payables from related parties	252,165	〃	3.88%
2	INFO-TEK HOLDING CO., LTD.	Info-Tek Corporation	2	Other payables from related parties	8,649	〃	
		Info-Tek Corporation	2	Other receivables from related parties	10	〃	
		Info-Tek Corporation	2	Operating expenses	740	〃	
		Info-Tek Electronics (Suzhou) CO., LTD	3	Other receivables from related parties	16,997	〃	
		Info-Tek Electronics (Suzhou) CO., LTD	3	Interest income	278	〃	
3	SUNRISE CORPORATION	Info-Tek Electronics (Suzhou) CO., LTD	3	Other receivables from related parties	252,165	〃	3.88%
		Info-Tek Electronics (Suzhou) CO., LTD.	3	Interest income	1,535	〃	

Note 1: The number “0” represents for parent company, and the subsidiaries is numbered sequentially.

Note 2: The relationship is classified in 3 categories:
1: Represents for the transaction from parent company to subsidiary;
2: Represents for the transaction from subsidiary to parent company;
3: Represents for the transactions between subsidiaries.

Note 3: The percentage of total assets is calculated using the ending balance divided by the total consolidated assets; the percentage of total revenue is calculated using the accumulated amount during the period divided by the total consolidated sales revenue.

TABLE 6

INFO-TEK CORPORATION AND SUBSIDIARIES

The following significant transactions with Mainland China investees, directly or indirectly through third parties, and their prices, payment terms, unrealized gains or losses, and other related information
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	**Purchase/(Sale)**	**Amount**	Price	Transaction terms		Other receivables		Sales revenue	Note
				Payment terms	Comparison with Normal Transactions	Amount	%		
Info-Tek Electronics (Suzhou) CO.,LTD.	Raw material	$ 20,086	Market Price	Payment Term 90 Days	No significant difference	$ 7,931	46%	$ 1,331	-

TABLE 7

INFO-TEK CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Global Brands Manufacture Ltd.	33,270,949	27.43%
Giga Investment Co.	9,985,834	8.23%

Note 1: Major shareholders list includes shareholders having ownership of 5% or more.

Note 2: The percentage of ownership does not take into account the treasury shares that have been repurchased by the Company.